OFFICIAL STATEMENT

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

Lease Revenue Refunding Bonds
(California Community Colleges)
(Various Community College Projects)

$11,600,000* 1997 Series B
$18,600,000* 1997 Series C
$112,000,000* 1997 Series D
$46,700,000* 1997 Series E

INTRODUCTION

This Introduction contains only a brief summary of certain of the terms of the Bonds being offered and a brief description of this Official Statement. A full review should be made of the entire Official Statement including the cover page and the Appendices. All statements contained in this Introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of, provisions of the Constitution and laws of the State of California or any other documents referred to herein do not purport to be complete, and such references are qualified in their entirety by reference to the complete provisions.

General Authorization; Purposes

This Official Statement describes the State Public Works Board of the State of California (the "Board"), an entity of the State of California (the "State"), and the following Series of Bonds to be issued by the Board*:

- Lease Revenue Refunding Bonds (California Community Colleges) 1997 Series B (Various Community College Projects) (the "1997B Colleges Bonds");

- Lease Revenue Refunding Bonds (California Community Colleges) 1997 Series C (Various Community College Projects) (the "1997C Colleges Bonds");

- Lease Revenue Refunding Bonds (California Community Colleges) 1997 Series D (Various Community College Projects) (the "1997D Colleges Bonds");

- Lease Revenue Refunding Bonds (California Community Colleges) 1997 Series E (Various Community College Projects) (the "1997E Colleges Bonds"; and collectively with the 1997B Colleges Bonds, the 1997C College Bonds and the 1997D Colleges Bonds, the "1997 Colleges Bonds" or the "Bonds;" and each a "Series" of Bonds.)

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*Preliminary; subject to change.

The Bonds are to be issued in separate Series at one time or from time to time in the aggregate principal amounts shown above. The Bonds are being issued by the Board to provide funds, together with other lawfully available moneys, to (i) establish irrevocable escrows to advance refund and defease, in whole or in part, certain of the Board's outstanding lease revenue bonds (collectively, the "Prior Bonds" or the "Refunded Bonds") issued for the benefit of various California Community College Districts (each a "College District" and collectively the "College Districts") previously issued to finance or refinance the construction, acquisition and equipping of certain capital improvements to various facilities of the College Districts (each a "Facility" and collectively the "Facilities"); and (ii) pay costs of issuance of the Bonds.

The Bonds are being issued pursuant to the State Building Construction Act of 1955, being Part 10b of Division 3 of Title 2 of the California Government Code, as amended (the "Act"), and are being sold by the Treasurer of the State (the "State Treasurer") in accordance with the Act.

Security and Sources of Payment for the Bonds

Each Series of Bonds is separately secured under its indenture (each an "Indenture" and collectively the "Indentures") which pertains exclusively to that Series of Bonds. The holders of Bonds of any one Series will have no claim on the security for Bonds of any other Series, except to a limited extent as described under "Reserve Funds" below.

General. The Board will enter into amendments to existing facility leases with the respective College Districts (as amended, each a "Lease" and collectively, the "Leases"), pursuant to which each College District will lease Facilities from the Board at rental payments sufficient in the aggregate, together with other available moneys, to pay, along with administrative expenses of the Board, the principal of and interest on a Series of Bonds. See the description of terms applicable to all series of Bonds below.

The Act requires any State agency that has leased from the Board a public building financed by revenue bonds issued by the Board to allocate from the "first lawfully available funds" appropriated in each fiscal year an amount sufficient to pay all rental payments during such fiscal year with respect to the facility financed for such State agency by lease revenue bonds of the Board, including, with respect to the College Districts, rental payments securing the Bonds. The Act provides a permanent appropriation of moneys from the State Treasury for State agencies to make rental payments to the Board under leases when the required rental payments have not been included in the budget adopted by the State or when the State is operating without a budget, provided the Director of Finance certifies to the State Controller that sufficient funds are available in the State Treasury. The statutory provisions of the Act for continuing appropriations and priority with respect to allocation of funds have not been interpreted by any court. See "SECURITY AND SOURCES OF PAYMENT FOR ALL SERIES OF BONDS - Budgeting for Rental Payments."

Reserve Funds. The 1997C Colleges Bonds and the 1997E Colleges Bonds will be secured by the Master Indenture Reserve Fund (defined below). See "THE STATE PUBLIC WORKS BOARD - Master Indenture Reserve Fund."

The 1997D Colleges Bonds will be secured by the reserve account established under the related Indenture. See "TERMS OF THE 1997D COLLEGES BONDS - Security for the Bonds - Reserve Fund".

No reserve fund will be established or funded to secure the 1997B Colleges Bonds. However, pursuant to the terms of the 1997B Colleges Indenture (defined below), Base Rental (defined below) with respect to the related Facilities is required to be deposited with the State Treasurer by September 2 of each year for the use and occupancy of the related Facilities for the succeeding 12-month period. See "TERMS OF THE 1997B COLLEGES BONDS - Security for the Bonds - Advance Rental Payment" herein.

Abatement. The base rental payments due from a College District to the Board (the "Base Rental") will be abated proportionately during any period in which, by reason of any damage or destruction or condemnation, there is a substantial interference with the College District's use and occupancy or possession of all or a portion of the Facility. Only Base Rental with respect to the portion of the Facility that is damaged, destroyed, or condemned will be abated. Such abatement will commence with such damage or destruction or condemnation and end when use and occupancy or possession is restored. In addition, if the Board, for any reason, cannot deliver possession of a Facility by the date specified in the related Lease, the rental payments will be abated proportionately in the proportion which the acquisition, construction, and installation costs of the part or parts of the Facility not yet delivered bears to the acquisition, construction, and installation costs of the entire Facility for the period between the date specified in the Lease and the time when the Board delivers possession of such part. See "SECURITY AND SOURCES OF PAYMENT FOR ALL SERIES OF BONDS - Abatement" and the subsections entitled "Security for the Bonds - Rental Interruption Insurance" describing the terms of each Series of Bonds.

Insurance on the Facilities. The Indentures and the Leases require the College Districts to maintain or cause to be maintained fire, lightning and extended coverage insurance on their respective Facilities and to maintain rental interruption insurance for their respective Facilities to cover certain losses as a result of certain hazards. See "SECURITY AND SOURCES OF PAYMENT FOR ALL SERIES OF BONDS - Abatement" and the subsections entitled "Security for the Bonds - Rental Interruption Insurance" and "- Proceeds of Insurance on the Facilities" describing the terms of each Series of Bonds.

Redemption

The Bonds are subject to extraordinary, optional and mandatory sinking account redemption prior to maturity. See "TERMS APPLICABLE TO ALL SERIES OF BONDS - Extraordinary Redemption" and the subsections entitled "Redemption Provisions" describing the terms of each Series of Bonds.

Certain Information Related to this Official Statement

The descriptions herein of the Master Indenture, the Indentures, the Leases and other agreements relating to the Facilities are qualified in their entirety by reference to such documents, and the descriptions herein of the Bonds are qualified in their entirety by the form thereof and the information with respect thereto included in the aforesaid documents. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS" for a brief summary of the rights and duties of the Board, the rights and remedies of the State Treasurer and the registered bondholders (the "Holders") upon an event of default, provisions relating to amendments of the Indentures and procedures for defeasance of the Bonds. Copies of the documents may be obtained from the Public Finance Division, Office of the State Treasurer, State of California, 915 Capitol Mall, Room 280, Sacramento, California 95814.

All capitalized terms used in this Official Statement and not otherwise defined herein have the same meanings as in the respective Indentures. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS" for definitions of certain words and terms used but not otherwise defined herein.

Certain information concerning the State's finances, economy and outstanding indebtedness is contained in Appendix A.

The information and expressions of opinion herein speak only as of their date and are subject to change without notice. Neither the delivery of this Official Statement (including the Appendices) nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the State, the Board or any of the College Districts since the date hereof.

All financial and other information presented in this Official Statement has been provided by the State from its records, except for information expressly attributed to other sources. The presentation of information, including the table of receipt from taxes and other revenues, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the State. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

Continuing Disclosure

The Board and the State Treasurer will agree on behalf of the State to provided annually certain financial information and operating data relating to the State by not later than April 1 of each year in which each Series of the Bonds are Outstanding (the "Annual Report"), commencing with the report for the 1996-97 Fiscal Year, and to provide notices of the occurrence of certain other enumerated events if material. The Annual Report will be filed by the State Treasurer on behalf of the State with each NRMSIR certified by the Securities and Exchange Commission and State Repository, if any (collectively, the "Repositories"), and may also be obtained from the State Treasurer. The notices of material events will be timely filed by the State Treasurer on behalf of the State with the Municipal Securities Rulemaking Board and the Repositories. The specific nature of the information to be contained in the Annual Report or the notices of material events and certain other terms of the continuing disclosure obligation are summarized below under "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

Additional Information

Questions regarding this Official Statement and the issuance of these securities may be addressed to the office of the Honorable Matt Fong, Treasurer of the State of California, P.O. Box 942809, Sacramento, California 94209-0001, Telephone (916) 653-3451.

TERMS APPLICABLE TO ALL SERIES OF BONDS

Each Series of Bonds is separately secured under its Indenture. The holders of Bonds of any one Series will have no claim on the security for the Bonds of any other Series except to the extent certain Series of Bonds may share in a pooled reserve fund as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

General

The Bonds are being issued in separate series in the aggregate principal amount and mature on the dates and in the amounts shown on the inside cover page, in the principal amount of $5,000 or any integral multiple thereof. All Bonds are to be dated ________ 1, 1997 (the "Dated Date"). Interest on all Bonds is payable from the Dated Date, at the rates and on the interest payment dates set forth on the inside cover page hereof. Interest on the Bonds is calculated on the basis of a 360-day year composed of twelve 30-day months. The record date for interest payments is the close of business on the fifteenth day of the calendar month next preceding each Interest Payment Date.

The Bonds will be registered in the name of a nominee of DTC, which will act as securities depository for the Bonds. Beneficial interests in the Bonds of each Series may be purchased in book-entry form only, in the amounts set forth above. See "APPENDIX D - BOOK-ENTRY ONLY SYSTEM."

The principal of and interest on each Series of Bonds will be paid as described in "APPENDIX D - BOOK-ENTRY ONLY SYSTEM."

Each Indenture provides that, at any time prior to giving notice of mandatory sinking account redemption of any Series of Bonds, the State Treasurer may apply moneys on deposit in the sinking account relating to such Series of Bonds to the purchase of such Bonds at public or private sale, as and when and at such prices as shall be determined by the State Treasurer, except that such purchase price (excluding accrued interest) shall not be in excess of the redemption price that would be payable upon redemption of such Bonds from mandatory sinking account payments, as described above. If, during the 12-month period immediately preceding each mandatory sinking account payment date, the State Treasurer has purchased such Bonds with moneys in such sinking account, such Bonds so purchased shall be applied, to the extent of the full principal amount thereof, to reduce the next succeeding mandatory sinking account payment, as applicable.

Extraordinary Redemption

The Bonds are subject to redemption prior to their respective stated maturity dates, at the option of the Board, on any Interest Payment Date, in whole or in part, from proceeds of insurance or eminent domain proceedings received in connection with the related Facilities, at the principal amount of the Bonds to be redeemed plus accrued interest thereon, to the date fixed for redemption, without premium. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

Miscellaneous Provisions Applicable to All Redemptions

Selection of Bonds for Redemption. If less than all Outstanding Bonds of a Series are to be redeemed at any one time from the proceeds of insurance or eminent domain proceedings, the State Treasurer shall select such Bonds to be redeemed from each maturity within such Series on a proportionate basis; provided that within each maturity such Bonds shall be selected by lot. If less than all Outstanding Bonds of a Series are to redeemed at any one time other than from the proceeds of insurance or eminent domain proceedings, the State Treasurer shall select such Bonds to be redeemed from each maturity within such Series at his discretion; provided that within each maturity such Bonds shall be selected by lot. See "APPENDIX D - BOOK-ENTRY ONLY SYSTEM" concerning DTC's redemption procedures.

Notice of Redemption. So long as DTC is acting as securities depository for the Bonds, notice of redemption will be given by sending copies of such notice to DTC (and not to the beneficial owners of any Series of Bonds designated for redemption) at least 30 days but not more than 60 days prior to the redemption date. Each Indenture provides that if notice of redemption has been duly given and money for payment of the redemption price of related Bonds called for redemption is held by the State Treasurer, then on the redemption date designated in such notice, the Bonds of such Series so called for redemption will become due and payable, and from and after the redemption date, interest on the Bonds of such Series so called for redemption will cease to accrue and be payable, and the Holders of such Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

New York Stock Exchange Listing

The State Treasurer intends to submit an application to list the Bonds of each Series that are subject to mandatory sinking fund redemption on the New York Stock Exchange. There can be no assurance that said Bonds will continue to be listed for the duration of the time they will be outstanding.

SECURITY AND SOURCES OF PAYMENT FOR ALL SERIES OF BONDS

General

Each Series of Bonds is secured solely under its Indenture, which pertains exclusively to that Series of Bonds and its related Base Rental, the related Lease and the related Facilities. The holders of any Series of Bonds will have no claim on the securing for any

other Series of Bonds, except to the extent certain Series of Bonds may share in a pooled reserve fund as described herein. Nothing within this Official Statement is intended to imply that there exists any cross-application or cross-collateralization, including, without limitation, any cross-defaults between or among the respective Indentures.

UNDER EACH LEASE, THE OBLIGATION OF THE COLLEGE DISTRICT TO MAKE BASE RENTAL PAYMENTS IS SUBJECT TO AND DEPENDENT UPON SUCH COLLEGE DISTRICT'S BENEFICIAL USE AND OCCUPANCY OF ITS FACILITIES. THE BONDS OF EACH SERIES WILL BE SPECIAL OBLIGATIONS OF THE BOARD PAYABLE SOLELY FROM CERTAIN PLEDGED REVENUES UNDER THE RELATED INDENTURE, INCLUDING BASE RENTAL PAYMENTS MADE PURSUANT TO THE RELATED LEASE. THE BONDS DO NOT REPRESENT OR CONSTITUTE A DEBT OF THE BOARD, THE STATE OR ANY COLLEGE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, ANY POLITICAL SUBDIVISION THEREOF, ANY COLLEGE DISTRICT OR THE BOARD. THE OWNERS OF THE BONDS SHALL HAVE NO RIGHT TO HAVE EXCISES OR TAXES LEVIED FOR THE PAYMENT OF AMOUNTS DUE ON ANY SERIES OF BONDS. NEITHER THE BOARD NOR ANY COLLEGE DISTRICT HAS ANY POWER TO PLEDGE THE CREDIT OR TAXING POWER OF THE STATE.

Budgeting for Rental Payments

Each College District has covenanted in its related Leases to take such action as may be necessary to include all Base Rental and Additional Rental payments due thereunder in its annual budgets (and that portion of the budget of the State related to such College District) and to make necessary annual allocations for all such rental payments. Each College District will furnish to the Board and the State Treasurer copies of each such annual budget of such College District (and that portion of the budget of the State related to such College District) that contains the appropriation to pay rent under its Lease or Leases, within ten days after the Governor submits his budget to the State Legislature. The Governor's Office, in consultation with the Department of Finance, makes the final determination of all amounts to be included in the annual budget proposed by the Governor to the Legislature. The annual Budget Act (as hereinafter defined) must be approved by a two-thirds majority vote of each House of the State Legislature and is subject to the power of the Governor to veto specific line items. See "APPENDIX A - THE STATE OF CALIFORNIA - State Finances - The Budget Process." Under each Indenture, the Board is required to supply to the State Treasurer, as soon as practical after the beginning of each fiscal year of each College District, a certificate of the Board certifying that such College District has made or caused to be made adequate provision in the annual budget of the State for such fiscal year for the payment of all Base Rental and Additional Rent due under such College District's Leases in such fiscal year.

Under the State Constitution, money can be drawn from the State Treasury only through an appropriation made by law. An appropriation may be made in the Budget Act or in other legislation, each of which must be approved by the State Legislature and signed by the Governor. Appropriations are generally limited to a one-year period of availability. See Appendix A for additional information concerning the budget process.

Under the State's budget process, Base Rental under each College District's Leases will be included in such College District's operating budget. Such College District's budget contains specific items designating the amount of rental for all such College District's projects that are leased from the Board. Section 15849.2 of the Act requires any State agency which has leased or otherwise contracts with the Board for a public building financed by revenue bonds issued by the Board to allocate from the "first lawfully available funds" appropriated in each fiscal year an amount sufficient to pay all rental payments during such fiscal year, including rental payments securing other revenue bonds and obligations of the Board.

Under Section 15848 of the Act, if the amount required to pay rent by any State agency (which includes each College District) occupying space in a facility authorized to be constructed under the Act has not been included in the Budget Act for such fiscal year or if the rental payments are due during a period that the State is operating without funds appropriated by the Budget Act for that fiscal year and the Department of Finance certifies to the State Controller that sufficient funds are available for the support of the agency for that portion of the facility that has been provided for its use and the facility or portion thereof is available for the use and occupancy of the agency, then such amount is automatically by operation of the Act appropriated from the fund in the State Treasury from which the agency derives its appropriations to pay such rental. The statutory provisions of the Act for continuing appropriations and priority with respect to allocation of funds have not been interpreted by any court.

Intercept Mechanism

Pursuant to Section 15820.60(e) of the California Government Code ("Section 15820.60(e)"), the College Districts have authorized (which authorization has precedence over the other expenditure obligations of the College Districts) the Chancellor and the State Controller to withhold from each College District's annual apportionment of funds an amount equal to its annual rental under its Leases. Pursuant to Section 15820.60(e), the Chancellor shall certify the amounts of such annual rentals, whereupon the State Controller will withhold such amount and, acting on behalf of the College District, will transfer the appropriate funds from the State School Fund to the Board for payment by the State Treasurer of debt service on the Bonds, subject to the availability of the Facility or Facilities to be leased to the College District for its beneficial use and occupancy and any applicable bankruptcy or insolvency laws. Accordingly, no College District will have possession or control over the funds appropriated by the State Legislature and used to pay Base Rental due under its related Lease. Under Proposition 98, community college districts are guaranteed a minimum share of the General Fund revenues of the State (see "APPENDIX A - THE STATE OF CALIFORNIA - State Finances--Proposition 98"), which should further assure the necessary levels of appropriation to pay the Base Rental under the Leases as it becomes due. All annual rental payments under all facility and equipment leases securing outstanding lease revenue bonds issued for the College Districts by the Board $56,766,000, including the Leases, equal approximately 3.1 percent of the College Districts' support budget for Fiscal Year 1997-98 $1,829,038,000.

Remedies Upon Default

If a College District defaults under a Lease, the Board may enforce its remedies under such Lease. In general, remedies under the Leases include the right to (i) maintain the Lease in full force and effect and receive all rent from the College District as it becomes due or re-let the related Facility, or (ii) terminate the Lease and the College District's right of possession and recover damages recoverable at law. The Indentures provide that any Holder of a related Series of Bonds may by legal action compel the Board to carry out its duties under the Act and the related Lease, including maintaining and enforcing its rights under such Lease. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

While each Lease provides that the related Facility may be re-let following a default, achieving such a remedy may not be practical due to the lack of a replacement lessee or other reasons. Moreover, although acceleration is a remedy provided in each Indenture, the Base Rental payable pursuant to the related Lease may not be accelerated. Therefore, the circumstances under which the State Treasurer might declare the principal of and accrued interest on a Series of Bonds due and payable immediately are limited.

Abatement

The rental payments due with respect to any Facility shall be abated proportionately during any period in which (i) by reason of any damage, destruction or condemnation, there is substantial interference with the use and occupancy or possession of such Facility or any portion thereof by the related College District or (ii) the Board shall not have delivered possession of such Facility by the date specified in the related Lease. See Appendix B for information regarding the possession of the various Facilities financed by the various series of Prior Bonds.

In the event of abatement of rental payments due to damage, destruction or condemnation, only rental payments with respect to the portion of a Facility that is damaged, destroyed or condemned will be abated. Such abatement shall commence with such damage, destruction or condemnation and end when use and occupancy or possession is restored. In the event of abatement, the term of the Lease can be extended. Each College District is required to maintain or cause to be maintained rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of its Facilities as a result of any of those certain hazards covered by the hazard insurance as described in the related Lease. Any such insurance policy shall be in a form satisfactory to the State Treasurer and shall contain a loss payable clause making any loss thereunder payable to the State Treasurer as its interest may appear. The Indentures require that the State Treasurer use any proceeds of such insurance to reimburse the related College District for any rental therefore paid by such College District under the applicable Lease for the period of time during which the payment of rental under such Lease is abated, and that any proceeds of such insurance not so used shall be applied, to the extent required, to pay principal of and interest on the related Series of Bonds. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS." **None of the State, the Board or any College District currently maintains earthquake insurance, and there is no assurance that earthquake insurance will be available or obtained on any Facility.**

If damage, destruction or eminent domain proceedings with respect to any Facility or delay in completion or delivering any part of a Facility results in abatement of the Base Rental payments related to such Facility and if such abated Base Rental payments, if any, together with any available capitalized interest, moneys from rental interruption or use and occupancy insurance (in the event of any insured loss due to damage or destruction),

eminent domain proceeds, if any, and moneys available in the related reserve fund, if any, as applicable, are insufficient to make all payments of principal of and interest on the related Series of Bonds during the period that such Facility is being replaced, repaired or reconstructed, or the period prior to delivery of any part of such Facility, then all or a portion of such payments of principal and interest may not be made. Under the Leases and the Indentures, no remedy is available to the Holders of the affected Series of Bonds for nonpayment under such circumstances.

TERMS OF THE 1997B COLLEGES BONDS

This section should be read in conjunction with the sections entitled "TERMS APPLICABLE TO ALL SERIES OF BONDS" and "SECURITY AND SOURCES OF PAYMENT FOR ALL SERIES OF BONDS."

General

The 1997B Colleges Bonds will be issued under and secured by an Indenture, dated as of August 1, 1991 ("1991 Colleges Indenture"), between the Board and the State Treasurer, as trustee, as supplemented by a First Supplemental Indenture, dated as of September 1, 1996 and a Second Supplemental Indenture, dated as of the Dated Date (collectively, the "1997B Colleges Indenture"), to provide funds which will be used, together with other lawfully available moneys, (i) to establish an irrevocable escrow to advance refund and defease $______ aggregate principal amount of certain maturities of the Board's Lease Revenue Bonds (California Community Colleges) Series 1991A (collectively, the "1991A Colleges Bonds" and such refunded maturities being referred to herein as the "Refunded 1991A Colleges Bonds") previously issued to finance the 1997B Colleges Facilities described below for the benefit of various California Community College Districts, and (ii) to pay the costs of issuance of the 1997B Colleges Bonds. See "Estimated Sources and Uses of Funds" below and "APPENDIX B - INFORMATION CONCERNING THE CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES - The Financed Facilities."

Interest on the 1997B Colleges Bonds is payable on ____________ 1, 19__ and on each March 1 and September 1 thereafter.

The Board has previously entered into thirteen separate facility leases (collectively, the "1997B Colleges Leases") and corresponding site leases with various California Community College Districts (collectively, the "Series 1997B College Districts" and individually, a "Series 1997B College District") pursuant to which the Series 1997B College Districts have leased from the Board educational facilities, as more particularly described in "APPENDIX B - INFORMATION CONCERNING THE CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES - The 1997B Colleges Facilities." The Board has also issued the 1991A Colleges Bonds and its Lease Revenue Refunding Bonds (California Community Colleges) 1996 Series C (the "1996C Colleges Bonds") to finance or refinance such facilities. The Board now plans to refund and defease the Refunded 1991A Colleges Bonds as described below under "Plan of Refunding." The Board will enter into amendments of each of the 1997B Colleges Leases which secure the 1991A Colleges Bonds (the "1997B Colleges Amended

Leases") with the Series 1997B College Districts, pursuant to which each Series 1997B College District will agree to make rental payments for the beneficial use and occupancy of the facilities leased thereunder (the "1997B Colleges Facilities" and each a "1997B Colleges Facility"), calculated to be sufficient to pay the principal of and interest on the 1997B Colleges Bonds, the 1996C Colleges Bonds and the maturities of the 1991A Colleges Bonds to remain outstanding after the issuance of the 1997B Colleges Bonds (the "Remaining 1991A Colleges Bonds"). After the refunding is accomplished, principal of, premium, if any, and interest on the Refunded 1991A Colleges Bonds will be payable from the escrow fund established with a portion of the proceeds of the 1997B Colleges Bonds and any other funds deposited into such escrow fund. The Series 1997B College Districts currently have beneficial use and occupancy of all of the 1997B Colleges Facilities to be partially refinanced by the 1997B Colleges Bonds. See "APPENDIX B - INFORMATION CONCERNING THE CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES - The 1997B Colleges Facilities."

The 1997B Colleges Bonds are secured on a parity with the 1996C Colleges Bonds and the Remaining 1991A Colleges Bonds by a pledge of the rental payments under the 1997B Colleges Amended Leases and by amounts on deposit in the funds and accounts established under the 1997B Colleges Indenture (other than the Rebate Fund).

Redemption Provisions

Optional Redemption. The 1997B Colleges Bonds maturing on or before September 1, _____ are not subject to optional redemption prior to maturity. The 1997B Colleges Bonds maturing on and after September 1, _____, are subject to redemption prior to their respective maturity dates on and after September 1, _____, at the option of the Board, from any available funds, either in whole or in part on any date, at the prices set forth below (stated as a percentage of the principal amount of the 1997B Colleges Bonds redeemed), plus accrued interest to the date fixed for redemption:

Redemption Period (both dates inclusive)	Redemption Price
September 1, _____ through August 31, _____	___
September 1, _____ through August 31, _____	___
September 1, _____ and thereafter	___

Mandatory Sinking Account Redemption. The 1997B Colleges Bonds maturing on September 1, ____ (the "1997B Colleges Term Bonds") are subject to redemption prior to maturity in part, by lot, at 100 percent of the principal amount to be redeemed plus accrued interest to the date fixed for redemption, without premium, from mandatory sinking account payments made in amounts sufficient to redeem on September 1, _____, and on each September 1 thereafter as set forth below, the respective principal amounts specified for each of the years set forth below:

1997B Colleges Term Bonds Maturing September 1, _____

Mandatory Sinking Account Payment Dates (September 1)	Mandatory Sinking Account Payments

† Maturity.

Security for the 1997B Colleges Bonds

Pledge of Revenues. The 1997B Colleges Bonds are special obligations of the Board issued under and pursuant to the 1997B Colleges Indenture on parity with the 1996C Colleges Bonds and the Remaining 1991A Colleges Bonds, payable solely from and equally and ratably secured by a first pledge of (i) all Base Rental Payments under the 1997B Colleges Amended Leases (the "1997B Colleges Base Rental") and all other benefits, charges, income, proceeds, profits, receipts, rents, proceeds of insurance, and revenues derived by the Board from the ownership, operation, or use of the 1997B Colleges Facilities, (ii) proceeds of the 1997B Colleges Bonds deposited in the interest account within the Revenue Fund pursuant to the 1997B Colleges Indenture (the "1997B Colleges Interest Account") and (iii) interest or profits from the investment of money in any account or fund (other than the Rebate Fund) established under the 1997B Colleges Indenture (the funds described in clauses (i), (ii), and (iii) are collectively referred to herein as the "1997B Colleges Revenues"). The 1997B Colleges Base Rental is calculated to be sufficient, in both time and amount, to pay when due the principal and interest on the 1997B Colleges Bonds, the 1996C Colleges Bonds and the Remaining 1991A Colleges Bonds. Additional rental payments due from the Series 1997B College Districts to the Board include amounts sufficient to pay administrative costs and insurance premiums with respect to the 1997B Colleges Facilities. Each Series 1997B College District is also responsible for repair and maintenance of its respective 1997B Colleges Facility during the term of its respective 1997B Colleges Amended Lease.

Pursuant to the Act and the 1997B Colleges Indenture, so long as each Series 1997B College District shall have its respective 1997B Colleges Facilities available for beneficial use and occupancy, the Chancellor of the California Community Colleges (the "Chancellor") and the State Controller, on behalf of such Series 1997B College District, is obligated to pay annual 1997B Colleges Base Rental from such Series 1997B College District's annual apportionment of State aid sufficient to pay debt service on the 1997B Colleges Bonds, the 1996C Colleges Bonds and the 1991A Colleges Bonds relating to such leased 1997B Colleges Facilities and due in such year. The annual allocation of debt service relating to each 1997B Colleges Facility is shown in "APPENDIX B - INFORMATION CONCERNING THE CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES - The Financed Facilities - The 1997B Colleges Facilities."

Advance Rental Payment. As a security feature, 1997B Colleges Base Rental payments are made on September 2 of each year for the use and occupancy of the 1997B Colleges Facilities for the succeeding twelve-month period. Upon receipt by the State Treasurer, the 1997B Colleges Base Rental is held as 1997B Colleges Revenues. Although this advance 1997B Colleges Base Rental is on deposit with the State Treasurer, it is still subject to abatement. For further detail, see "Abatement." **Because of this security feature, there is no separate reserve fund or reserve account for the 1997B Colleges Bonds, the 1996C Colleges Bonds or the Remaining 1991A Colleges Bonds.**

Rental Interruption Insurance. The College Districts are required to maintain or cause to be maintained rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the 1997B Colleges Facilities as a result of any of the hazards covered by the hazard insurance described in the 1997B Colleges Amended Leases and the 1997B Colleges Indenture in an amount not less than the amount of 1997B Colleges Base Rental due for any period of two consecutive years under the 1997B Colleges Amended Leases. Any such insurance policy shall be in a form satisfactory to the State Treasurer and shall contain a loss payable clause making any loss thereunder payable to the State Treasurer as his interest may appear. The 1997B Colleges Indenture requires that the State Treasurer use any proceeds of such insurance to reimburse each College District for any rental theretofore paid by such College District under a 1997B Colleges Amended Lease for a period of time during which the payment of rental under such 1997B Colleges Amended Lease is abated. Any proceeds of such insurance not so used shall be applied, to the extent required, to pay debt service on the 1997B Colleges Bonds, the 1996C Colleges Bonds and the Remaining 1991A Colleges Bonds. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

Proceeds of Insurance on the Facilities. The 1997B Colleges Indenture and each of the 1997B Colleges Amended Leases require each College District to maintain fire, lightning and extended coverage insurance on its respective Facilities in an amount equal to 100 percent of the then current replacement cost of such Facilities or if less, the aggregate amount of 1997B Colleges Base Rental remaining unpaid under the 1997B Colleges Amended Leases (excluding the unimproved value of the sites upon which such Facilities are located), subject to a deductible clause of not to exceed $500,000, and earthquake insurance (if, in the discretion of the Board such insurance is available on the open market from reputable insurance companies at a reasonable cost) on any structure (but not any equipment comprising part of its respective Facilities) in an amount equal in each case to the lesser of the full insurable value of such structure or the principal amount of all Outstanding 1997B Colleges Bonds, 1996C Colleges Bonds and Remaining 1991A Colleges Bonds, whichever is less, subject to a deductible clause of not to exceed $500,000, for any one loss. In the event of any damage to or destruction of the Facilities as a result of the perils covered by such insurance, the insurance proceeds may be applied at the option of the Board, to (1) redeem the Outstanding 1997B Colleges Bonds, the 1996C Colleges Bonds and the Remaining 1991A Colleges Bonds, in whole or in part or (2) repair, reconstruct, or replace the respective Facilities. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

Additional 1997B Colleges Bonds

The Board may issue additional bonds under the 1997B Colleges Indenture on a parity with the 1997B Colleges Bonds, the 1996C Colleges Bonds and the Remaining 1991A Colleges Bonds for the purpose of (i) financing the acquisition, installation, and construction of additions, betterments, extensions or improvements to the 1997B Colleges Facilities, including payment of all costs incidental to or connected with such financing and/or (ii) refunding any bonds then Outstanding under the 1997B Colleges Indenture, including payment of all costs incidental to or connected with such refunding (the "1997B Colleges Additional Bonds"). In connection with the issuance of any such 1997B Colleges Additional Bonds, the 1997B Colleges Amended Leases would be amended to provide for Base Rental thereunder sufficient, in both time and amount, to pay when due the annual principal of and interest on the 1997B Colleges Bonds, the 1996C Colleges Bonds, the Remaining 1991A Colleges Bonds, and any such 1997B Colleges Additional Bonds. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

Annual Debt Service Requirements

Set forth below are the principal, interest and total debt service requirements for the 1997B Colleges Bonds, the 1996C Colleges Bonds and the Remaining 1991A Colleges Bonds, assuming no redemptions other than scheduled mandatory sinking account redemptions:

Fiscal Year Ending June 30	1997B Colleges Bonds		1991A and 1996C Colleges Bonds		Annual Debt Service
	Principal	Interest	Principal	Interest	

Estimated Sources and Uses of Funds

The proceeds to be received from the sale of the 1997B Colleges Bonds (excluding accrued interest) are as follows:

Sources	
Principal amount of the 1997B Colleges Bonds	
Funds held under the 1991 Colleges Indenture	
Uses	
1991A Colleges Escrow Fund	
Costs of issuance(1)	
Underwriters' discount	
Original issue discount	
TOTAL USES	

(1) Includes trustee, legal and rating agencies' fees and other costs of issuance.

Plan of Refunding

The Board will apply the net proceeds of the sale of the 1997B Colleges Bonds, together with other lawfully available funds, to establish an irrevocable escrow to defease the 1991A Colleges Bonds described below.

State Public Works Board of the State of California
Lease Revenue Bonds (California Community Colleges)
1991 Series A, to be redeemed on September 1, 2001

Maturity Date (September 1)	Amount	Coupon
	$	%

Upon the issuance and delivery of the 1997B Colleges Bonds, a portion of the proceeds thereof, together with other lawfully available funds, will be applied to purchase direct obligations of the United States of America. These direct obligations will be deposited in an escrow fund or funds (the "1991A Colleges Escrow Fund") and held by the State Treasurer, as escrow agent (the "Escrow Agent") pursuant to an escrow agreement dated as of the Dated Date (the "1997B Colleges Escrow Agreement"), between the Board and the Escrow Agent. The

Escrow Agent will apply the principal of and interest on all such obligations, together with other moneys held by it as Escrow Agent, to redeem the Refunded 1991A Colleges Bonds on the dates specified in the 1997B Colleges Escrow Agreement (and as set forth above) and to pay all interest due on the Refunded 1991A Colleges Bonds to the specified redemption dates. The securities and monies held in the 1991A Colleges Escrow Fund will not secure the 1997B Colleges Bonds and will not pay debt service on the 1997B Colleges Bonds.

The obligations of the United States of America so deposited with the Escrow Agent will bear interest at such rates and will be scheduled to mature at such times and in such amounts that, when paid in accordance with their terms, together with any other funds held in the 1991A Colleges Escrow Fund, sufficient moneys will be available to make full and timely payment of the principal of and interest on the Refunded 1991A Colleges Bonds to their specified redemption dates and to pay the redemption price of the principal amount which remains outstanding on such redemption dates. For information on mathematical verification of the adequacy of such obligations and other funds held in the 1991A Colleges Escrow Fund to make such payments, see "VERIFICATION." Upon such irrevocable deposit with the Escrow Agent and execution of the 1997B Colleges Escrow Agreement, the Refunded 1991A Colleges Bonds will be defeased and will no longer be entitled to the benefits of the indenture under which they were issued.

TERMS OF THE 1997C COLLEGES BONDS

This section should be read in conjunction with the sections entitled "TERMS APPLICABLE TO ALL SERIES OF BONDS" and "SECURITY AND SOURCES OF PAYMENT FOR ALL SERIES OF BONDS."

General

The 1997C Colleges Bonds will be issued under and secured by the Series I Indenture, dated as of April 1, 1994 (the "Master Indenture") as amended by the Fourth Supplemental Indenture, dated as of October 1, 1994, the Eleventh Supplemental Indenture, dated as of September 1, 1996, the Thirteenth Supplemental Indenture, dated as of November 1, 1996 and a ________ Supplemental Indenture, dated as of the Dated Date (the Master Indenture as so supplemented is hereinafter referred to as the "1997C Colleges Indenture"), between the Board and the State Treasurer, as trustee, to provide funds which will be used, together with other lawfully available moneys, (i) to establish an irrevocable escrow to advance refund and defease $______ aggregate principal amount of certain maturities of the Board's Lease Revenue Bonds (California Community Colleges) Series 1994B (collectively, the "1994B Colleges Bonds" and such refunded maturities being referred to herein as the "Refunded 1994B Colleges Bonds") previously issued to finance the 1997C Colleges Facilities described below for the benefit of various California Community College Districts, and (ii) to pay the costs of issuance of the 1997C Colleges Bonds. See "Estimated Sources and Uses of Funds" below and "APPENDIX B - INFORMATION CONCERNING THE CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES -- The Financed Facilities - The 1997C Colleges Facilities."

Interest on the 1997C Colleges Bonds is payable on __________ 1, 19__ and on each March 1 and September 1 thereafter.

The Board has previously entered into eleven separate facility leases (collectively, the "1997C Colleges Leases") and corresponding site leases with various California Community College Districts (collectively the "1997C College Districts" and individually a "1997C College District") pursuant to which the 1997C College Districts have leased from the Board educational facilities, as more particularly described in "APPENDIX B - INFORMATION CONCERNING THE CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES -- The Financed Facilities - The 1997C Colleges Facilities." The Board has previously issued (i) the 1994B Colleges Bonds; (ii) its Lease Revenue Refunding Bonds (California Community Colleges) 1996 Series B (the "1996B Colleges Bonds"); and (iii) its Lease Revenue Refunding Bonds (California Community Colleges) 1996 Series D (the "1996D Colleges Bonds"), to finance or refinance such facilities. The Board now plans to issue the 1997C Colleges Bonds to be secured by the 1997C Colleges Leases and will enter into amendments of each of the 1997C Colleges Leases (the "1997C Colleges Amended Leases") with the 1997C College Districts, pursuant to which each 1997C College District will agree to make rental payments for the beneficial use and occupancy of the facilities leased thereunder (the "1997C Colleges Facilities" and each a "1997C Colleges Facility"), calculated to be sufficient to pay the principal of and interest on the 1997C Colleges Bonds, the 1996B Colleges Bonds, the 1996D Colleges Bonds and the maturities of the 1994B Colleges Bonds to remain outstanding after the issuance of the 1997C Colleges Bonds (the "Remaining 1994B Colleges Bonds"). After the refunding is accomplished, principal of, premium, if any, and interest on the Refunded 1994B Colleges Bonds will be payable from the escrow fund established with a portion of the proceeds of the 1997C Colleges Bonds and any other funds deposited into such escrow fund. The Series 1997C College Districts currently have beneficial use and occupancy of all of the 1997C Colleges Facilities to be partially refinanced by the 1997C Colleges Bonds. See "APPENDIX B - INFORMATION CONCERNING THE CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES - The Financed Facilities - The 1997C Colleges Facilities."

The 1997C Colleges Bonds are secured on a parity with the 1996B Colleges Bonds, the 1996D Colleges Bonds and the Remaining 1994B Colleges Bonds by a pledge of the rental payments under the 1997C Colleges Amended Leases and by amounts on deposit in the funds and accounts established under the 1997C Colleges Indenture (other than the Rebate Fund) and by the Master Indenture Reserve Fund described below.

Redemption Provisions

Optional Redemption. The 1997C Colleges Bonds maturing on or before March 1, _____ are not subject to optional redemption prior to maturity. The 1997C Colleges Bonds maturing on and after March 1, _____, are subject to redemption prior to their respective maturity dates on and after March 1, _____, at the option of the Board, from any available funds, either in whole or in part on any date, at the prices set forth below (stated as a percentage of the principal amount of the 1997C Colleges Bonds redeemed), plus accrued interest to the date fixed for redemption:

Redemption Period (both dates inclusive)	Redemption Price
March 1, _____ through February 28, _____	___
March 1, _____ through February 28, _____	___
March 1, _____ and thereafter	___

Mandatory Sinking Account Redemption. The 1997C Colleges Bonds maturing on March 1, ____ (the "1997C Colleges Term Bonds") are subject to redemption prior to maturity in part, by lot, at 100 percent of the principal amount to be redeemed plus accrued interest to the date fixed for redemption, without premium, from mandatory sinking account payments made in amounts sufficient to redeem on March 1, _____, and on each March 1 thereafter as set forth below, the respective principal amounts specified for each of the years set forth below:

1997C Colleges Term Bonds Maturing March 1, ____

Mandatory Sinking Account Payment Dates (March 1)	Mandatory Sinking Account Payments

† Maturity.

Security for the 1997C Colleges Bonds

Pledge of Revenues. The 1997C Colleges Bonds are special obligations of the Board issued under and pursuant to the 1997C Colleges Indenture, payable on parity with the 1996B Colleges Bonds, the 1996D Colleges Bonds and the 1994B Colleges Bonds solely from and equally and ratably secured by a first pledge of (i) all Base Rental Payments under the 1997C Colleges Amended Leases (the "1997C Colleges Base Rental") and all other benefits, charges, income, proceeds, profits, receipts, rents, proceeds of insurance, and revenues derived by the Board from the ownership, operation, or use of the 1997C Colleges Facilities, (ii) proceeds of the 1997C Colleges Bonds deposited in the interest account within the Revenue Fund pursuant to the 1997C Colleges Indenture (the "1997C Colleges Interest Account") and (iii) interest or profits from the investment of money in any account or fund (other than the Rebate Fund) established under the 1997C Colleges Indenture (the funds described in clauses (i), (ii), and (iii) are collectively referred to herein as the "1997C Colleges Revenues"). The 1997C Colleges Base Rental is calculated to be sufficient, in both time and amount, to pay when due the principal and interest on the 1997C Colleges Bonds, the 1996B Colleges Bonds, the 1996D Colleges Bonds and the Remaining 1994B Colleges Bonds. Additional rental payments due from the Series 1997C College Districts to the Board include amounts sufficient to pay administrative costs and insurance premiums with respect to the 1997C Colleges Facilities. Each Series 1997C College District is also responsible for repair and maintenance of its respective 1997C Colleges Facility during the term of its respective 1997C Colleges Amended Lease.

Pursuant to the Act and the 1997C Colleges Indenture, so long as each Series 1997C College District shall have its respective 1997C Colleges Facilities available for beneficial use and occupancy, the Chancellor of the California Community Colleges (the "Chancellor") and the State Controller, on behalf of such 1997C College District, is obligated to pay annual 1997C Colleges Base Rental from such 1997C College District's annual apportionment of State aid sufficient to pay debt service on the 1997C Colleges Bonds, the 1996B Colleges Bonds, the 1996D Colleges Bonds and the Remaining 1994B Colleges Bonds relating to such leased 1997C Colleges Facilities and due in such year. The annual allocation of debt service relating to each 1997C Colleges Facility is shown in "APPENDIX B - INFORMATION CONCERNING THE CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES -- The Financed Facilities -The 1997C Colleges Facilities."

Reserve Fund. The 1997C Colleges Bonds are Master Indenture Bonds sharing in a pooled Master Indenture Reserve Fund as those terms are defined below. See "THE STATE PUBLIC WORKS BOARD - Master Indenture Reserve Fund." Amounts held in the Master Indenture Reserve Fund will be available for all bonds secured by the Master Indenture Reserve Fund and, therefore, no assurance can be given that at any time, amounts available therein will be sufficient to pay the principal of or interest on the 1997C Colleges Bonds when and as due.

Rental Interruption Insurance. The College Districts are required to maintain or cause to be maintained rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the 1997C Colleges Facilities as a result of any of the hazards covered by the hazard insurance described in the 1997C Colleges Amended Leases and the 1997C Colleges Indenture in an amount not less than the amount of 1997C Colleges Base Rental due for a period of at least two consecutive years under the 1997C Colleges Amended Leases. Any such insurance policy shall be in a form satisfactory to the State Treasurer and shall contain a loss payable clause making any loss thereunder payable to the State Treasurer as his interest may appear. The 1997C Colleges Indenture requires that the State Treasurer use any proceeds of such insurance to reimburse each 1997C College District for any rental theretofore paid by such 1997C College District under a 1997C Colleges Amended Lease for a period of time during which the payment of rental under such 1997C Colleges Amended Lease is abated. Any proceeds of such insurance not so used shall be applied, to the extent required, to pay debt service on the 1997C Colleges Bonds, the 1996B Colleges Bonds, the 1996D Colleges Bonds and the Remaining 1994B Colleges Bonds. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

Proceeds of Insurance on the Facilities. The 1997C Colleges Indenture and the 1997C Colleges Amended Leases require each 1997C College District to maintain or cause to be maintained fire, lightning and extended coverage insurance on its Facility in an amount equal to 100 percent of the then current replacement cost thereof, excluding the then current value of the related Site as unimproved (except that such insurance may be subject to a deductible clause of not to exceed $500,000 for any one loss) and earthquake insurance (if, in the discretion of each 1997A College District, such insurance is available on the open market from reputable insurance companies at a reasonable cost) on any structure comprising part of such Facility in an amount equal to the full insurable value of such structure or the principal amount of all Outstanding 1997C Colleges Bonds, 1996B Colleges Bonds, 1996D Colleges Bonds and 1997C Colleges Additional Bonds, whichever is less (subject to a deductible clause of not to exceed $500,000 for any one loss). In the event of any damage to or destruction of any part of such Facility as a result of the perils covered by such insurance, the insurance proceeds may be applied, at the option of the Board, to (1) redeem the related 1997C Colleges Bonds, 1996B Colleges Bonds, 1996D Colleges Bonds, the Remaining 1994B Colleges Bonds and any related 1997C Colleges Additional Bonds in whole or in part, or (2) repair, reconstruct or replace such Facility. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS" and "SECURITY AND SOURCES OF PAYMENT FOR ALL SERIES OF BONDS - Abatement."

Additional 1997C Colleges Bonds

The Board may issue additional bonds under the Master Indenture for the purposes of (i) financing or refinancing the completion and/or acquisition, installation and construction of any facility under the Master Indenture or any additions, betterments, extensions or improvements to any facility previously financed by the Board under the Master Indenture or an Incorporated Indenture, including payment of all costs incidental to or connected with such financing and/or making deposits into the Reserve Fund, or (ii) refunding any Series of Bonds then Outstanding under the Master Indenture, including payment of all costs incidental to or connected with such refunding. Under the Act, the ability of the Board to issue Additional Bonds for the purpose of financing the costs of completion of and/or additions, betterments, extensions or improvements to any facility is, however, subject to legislative authorization of the payment of such costs from revenue obligations of the Board.

Any Additional Bonds issued under the Master Indenture to finance or refinance a 1997C Colleges Facility would be designated a Related Series of Bonds under the Master Indenture (each such series of bonds being referred to herein as the "1997C Colleges Additional Bonds") and would be secured under the related 1997C Colleges Amended Lease on a parity with the 1997C Colleges Bonds, the 1996B Colleges Bonds, the 1996D Colleges Bonds and the Remaining 1994B Colleges Bonds. In connection with the issuance of any such 1997C Colleges Additional Bonds, the 1997C Colleges Amended Leases would be amended to provide for Base Rental thereunder sufficient, in both time and amount, to pay when due the annual principal of and interest on the 1997C Colleges Bonds, the 1996B Colleges Bonds, the 1996D Colleges Bonds, the Remaining 1994B Colleges Bonds and any such 1997C Colleges Additional Bonds. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

Annual Debt Service Requirements

Set forth below are the principal, interest and total debt service requirements for the 1997C Colleges Bonds, the 1996B Colleges Bonds, the 1996D Colleges Bonds and the Remaining 1994B Colleges Bonds, assuming no redemptions other than scheduled mandatory sinking account redemptions:

Fiscal Year Ending June 30	1997C Colleges Bonds Principal	1997C Colleges Bonds Interest	1994B, 1996B 1996D Colleges Bonds Principal	1994B, 1996B 1996D Colleges Bonds Interest	Annual Debt Service

Estimated Sources and Uses of Funds

The proceeds to be received from the sale of the 1997C Colleges Bonds (excluding accrued interest) are as follows:

Sources	
Principal amount of the 1997C Colleges Bonds	
Funds held under the related Supplemental Indentures	
Uses	
1994B Colleges Escrow Fund	
Costs of issuance(1)	
Underwriters' discount	
Original issue discount	
TOTAL USES	

(1) Includes trustee, legal and rating agencies' fees and other costs of issuance.

Plan of Refunding

The Board will apply the net proceeds of the sale of the 1997C Colleges Bonds, together with other lawfully available funds, to establish an irrevocable escrow to defease the 1994B Colleges Bonds described below.

State Public Works Board of the State of California
Lease Revenue Bonds (California Community Colleges)
1994 Series B, to be redeemed on March 1, 2004

Maturity Date (March 1)	Amount	Coupon
	$	%

Upon the issuance and delivery of the 1997C Colleges Bonds, a portion of the proceeds thereof, together with other lawfully available funds, will be applied to purchase direct obligations of the United States of America. These direct obligations will be deposited in an escrow fund or funds (the "1994B Colleges Escrow Fund") and held by the State Treasurer, as escrow agent (the "Escrow Agent") pursuant to an escrow agreement dated as of the Dated Date (the "1997C Colleges Escrow Agreement"), between the Board and the Escrow Agent. The

Escrow Agent will apply the principal of and interest on all such obligations, together with other moneys held by it as Escrow Agent, to redeem the Refunded 1994B Colleges Bonds on the dates specified in the 1997C Colleges Escrow Agreement (and as set forth above) and to pay all interest due on the Refunded 1994B Colleges Bonds to the specified redemption dates. The securities and monies held in the 1994B Colleges Escrow Fund will not secure the 1997C Colleges Bonds and will not pay debt service on the 1997C Colleges Bonds.

The obligations of the United States of America so deposited with the Escrow Agent will bear interest at such rates and will be scheduled to mature at such times and in such amounts that, when paid in accordance with their terms, together with any other funds held in the 1994B Colleges Escrow Fund, sufficient moneys will be available to make full and timely payment of the principal of and interest on the Refunded 1994B Colleges Bonds to their specified redemption dates and to pay the redemption price of the principal amount which remains outstanding on such redemption dates. For information on mathematical verification of the adequacy of such obligations and other funds held in the 1994B Colleges Escrow Fund to make such payments, see "VERIFICATION." Upon such irrevocable deposit with the Escrow Agent and execution of the 1997C Colleges Escrow Agreement, the Refunded 1994B Colleges Bonds will be defeased and will no longer be entitled to the benefits of the indenture under which they were issued.

TERMS OF THE 1997D COLLEGES BONDS

This section should be read in conjunction with the sections entitled "TERMS APPLICABLE TO ALL SERIES OF BONDS" and "SECURITY AND SOURCES OF PAYMENT FOR ALL SERIES OF BONDS."

General

The 1997D Colleges Bonds will be issued under and secured by an Indenture, dated as of December 1, 1992 ("1992 Colleges Indenture"), between the Board and the State Treasurer, as trustee, as supplemented by a First Supplemental Indenture, dated as of the Dated Date (collectively, the "1997D Colleges Indenture"), to provide funds which will be used, together with other lawfully available moneys, (i) to establish an irrevocable escrow to advance refund and defease $______ aggregate principal amount of certain maturities of the Board's Lease Revenue Bonds (California Community Colleges) Series 1992A (collectively, the "1992A Colleges Bonds" and such refunded maturities being referred to herein as the "Refunded 1991A Colleges Bonds") previously issued to finance the 1997D Colleges Facilities described below for the benefit of various California Community College Districts, and (ii) to pay the costs of issuance of the 1997D Colleges Bonds. See "Estimated Sources and Uses of Funds" below and "APPENDIX B - INFORMATION CONCERNING THE CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES - The Financed Facilities."

Interest on the 1997D Colleges Bonds is payable on ________ 1, 19__ and on each June 1 and December 1 thereafter.

The Board has previously entered into 30 separate facility leases (collectively, the "1997D Colleges Leases") and corresponding site leases with various California Community College Districts (collectively, the "Series 1997D College Districts" and individually, a "Series 1997D College District") pursuant to which the Series 1997D College Districts have leased from the Board educational facilities, as more particularly described in "APPENDIX B - INFORMATION CONCERNING THE CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES - The 1997D Colleges Facilities." The Board has previously issued the 1992A Colleges Bonds to finance or refinance such facilities. The Board now plans to refund and defease the Refunded 1992A Colleges Bonds as described below under "Plan of Refunding." The Board will enter into amendments of each of the 1997D Colleges Leases which secure the 1991A Colleges Bonds (the "1997D Colleges Amended Leases") with the Series 1997D College Districts, pursuant to which each Series 1997D College District will agree to make rental payments for the beneficial use and occupancy of the facilities leased thereunder (the "1997D Colleges Facilities" and each a "1997D Colleges Facility"), calculated to be sufficient to pay the principal of and interest on the 1997D Colleges Bonds and the maturities of the 1992A Colleges Bonds to remain outstanding after the issuance of the 1997D Colleges Bonds (the "Remaining 1992A Colleges Bonds"). After the refunding is accomplished, principal of, premium, if any, and interest on the Refunded 1992A Colleges Bonds will be payable from the escrow fund established with a portion of the proceeds of the 1997D Colleges Bonds and any other funds deposited into such escrow fund. The Series 1997D College Districts currently have beneficial use and occupancy of all of the 1997D Colleges Facilities to be partially refinanced by the 1997D Colleges Bonds. See "APPENDIX B - INFORMATION CONCERNING THE

CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES - The 1997D Colleges Facilities."

The 1997D Colleges Bonds are secured on a parity with the Remaining 1992A Colleges Bonds by a pledge of the rental payments under the 1997D Colleges Amended Leases and by amounts on deposit in the funds and accounts established under the 1997D Colleges Indenture (other than the Rebate Fund).

Redemption Provisions

Optional Redemption. The 1997D Colleges Bonds maturing on or before December 1, _____ are not subject to optional redemption prior to maturity. The 1997D Colleges Bonds maturing on and after December 1, _____, are subject to redemption prior to their respective maturity dates on and after December 1, _____, at the option of the Board, from any available funds, either in whole or in part on any date, at the prices set forth below (stated as a percentage of the principal amount of the 1997D Colleges Bonds redeemed), plus accrued interest to the date fixed for redemption:

Redemption Period (both dates inclusive)	Redemption Price
December 1, ____ through November 30, ___	___
December 1, ____ through November 30, ___	___
December 1, _____ and thereafter	___

Mandatory Sinking Account Redemption. The 1997D Colleges Bonds maturing on December 1, ____ (the "1997D Colleges Term Bonds") are subject to redemption prior to maturity in part, by lot, at 100 percent of the principal amount to be redeemed plus accrued interest to the date fixed for redemption, without premium, from mandatory sinking account payments made in amounts sufficient to redeem on December 1, _____, and on each December 1 thereafter as set forth below, the respective principal amounts specified for each of the years set forth below:

1997D Colleges Term Bonds Maturing December 1, _____

Mandatory Sinking Account Payment Dates (December 1)	Mandatory Sinking Account Payments

† Maturity.

Security for the 1997D Colleges Bonds

Pledge of Revenues. The 1997D Colleges Bonds are special obligations of the Board issued under and pursuant to the 1997D Colleges Indenture on parity with the Remaining 1992A Colleges Bonds, payable solely from and equally and ratably secured by a first pledge of (i) all Base Rental Payments under the 1997B Colleges Amended Leases (the "1997D Colleges Base Rental") and all other benefits, charges, income, proceeds, profits, receipts, rents, proceeds of insurance, and revenues derived by the Board from the ownership, operation, or use of the 1997D Colleges Facilities, (ii) proceeds of the 1997D Colleges Bonds deposited in the interest account within the Revenue Fund pursuant to the 1997D Colleges Indenture (the "1997D Colleges Interest Account") and (iii) interest or profits from the investment of money in any account or fund (other than the Rebate Fund) established under the 1997D Colleges Indenture (the funds described in clauses (i), (ii), and (iii) are collectively referred to herein as the "1997B Colleges Revenues"). The 1997D Colleges Base Rental is calculated to be sufficient, in both time and amount, to pay when due the principal and interest on the 1997D Colleges Bonds and the Remaining 1992A Colleges Bonds. Additional rental payments due from the Series 1997D College Districts to the Board include amounts sufficient to pay administrative costs and insurance premiums with respect to the 1997D Colleges Facilities. Each Series 1997D College District is also responsible for repair and maintenance of its respective 1997D Colleges Facility during the term of its respective 1997D Colleges Amended Lease.

Pursuant to the Act and the 1997D Colleges Indenture, so long as each Series 1997B College District shall have its respective 1997D Colleges Facilities available for beneficial use and occupancy, the Chancellor of the California Community Colleges (the "Chancellor") and the State Controller, on behalf of such Series 1997D College District, is obligated to pay annual 1997D Colleges Base Rental from such Series 1997B College District's annual apportionment of State aid sufficient to pay debt service on the 1997D Colleges Bonds and the Remaining 1992A Colleges Bonds relating to such leased 1997D Colleges Facilities and due in such year. The annual allocation of debt service relating to each 1997D Colleges Facility is shown in "APPENDIX B - INFORMATION CONCERNING THE CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES - The Financed Facilities - The 1997D Colleges Facilities."

Reserve Fund. The 1997D Colleges Indenture establishes a reserve account (the "1997D Colleges Reserve Account") for the payment of the 1997D Colleges Bonds and the Remaining 1992A Colleges Bonds. The 1997D Colleges Reserve Account is currently funded in accordance with the 1997D Colleges Indenture in an amount equal to $11,414,450, which is equal to the maximum annual debt service on the Outstanding Bonds under the 1997D Colleges Indenture. The amount in the 1997D Colleges Reserve Account is to be used solely for those purposes specified in the 1997D Colleges Indenture. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

In lieu of making the 1997D Colleges Reserve Account deposit, or in replacement of moneys then on deposit in the 1997D Colleges Reserve Account, the Board may deliver to the State Treasurer an irrevocable letter of credit, insurance policy or surety bond or a combination thereof (as described in the 1997D Colleges Indenture) securing an amount (together with moneys and Permitted Investments on deposit in the 1997D Colleges Reserve Account) equal to the 1997D Colleges Reserve Account Requirement.

Rental Interruption Insurance. The College Districts are required to maintain or cause to be maintained rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the 1997D Colleges Facilities as a result of any of the hazards covered by the hazard insurance described in the 1997D Colleges Amended Leases and the 1997B Colleges Indenture in an amount not less than the amount of 1997D Colleges Base Rental due for any period of two consecutive years under the 1997D Colleges Amended Leases. Any such insurance policy shall be in a form satisfactory to the State Treasurer and shall contain a loss payable clause making any loss thereunder payable to the State Treasurer as his interest may appear. The 1997D Colleges Indenture requires that the State Treasurer use any proceeds of such insurance to reimburse each College District for any rental theretofore paid by such College District under a 1997D Colleges Amended Lease for a period of time during which the payment of rental under such 1997D Colleges Amended Lease is abated. Any proceeds of such insurance not so used shall be applied, to the extent required, to pay debt service on the 1997D Colleges Bonds and the Remaining 1992A Colleges Bonds. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

Proceeds of Insurance on the Facilities. The 1997D Colleges Indenture and each of the 1997D Colleges Amended Leases require each College District to maintain fire, lightning and extended coverage insurance on its respective Facilities in an amount equal to 100 percent of the then current replacement cost of such Facilities or if less, the aggregate amount of 1997D Colleges Base Rental remaining unpaid under the 1997D Colleges Amended Leases (excluding the unimproved value of the sites upon which such Facilities are located), subject to a deductible clause of not to exceed $500,000, and earthquake insurance (if, in the discretion of the Board such insurance is available on the open market from reputable insurance companies at a reasonable cost) on any structure (but not any equipment comprising part of its respective Facilities) in an amount equal in each case to the lesser of the full insurable value of such structure or the principal amount of all Outstanding 1997D Colleges Bonds and Remaining 1992A Colleges Bonds, whichever is less, subject to a deductible clause of not to exceed $500,000, for any one loss. In the event of any damage to or destruction of the Facilities as a result of the perils covered by such insurance, the insurance proceeds may be applied at the option of the Board, to (1) redeem the Outstanding 1997D Colleges Bonds and the Remaining 1992A Colleges Bonds, in whole or in part or (2) repair, reconstruct, or replace the respective Facilities. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

Additional 1997D Colleges Bonds

The Board may issue additional bonds under the 1997D Colleges Indenture on a parity with the 1997D Colleges Bonds and the Remaining 1992A Colleges Bonds for the purpose of (i) financing the acquisition, installation, and construction of additions, betterments, extensions or improvements to the 1997D Colleges Facilities, including payment of all costs incidental to or connected with such financing and/or (ii) refunding any bonds then Outstanding under the 1997D Colleges Indenture, including payment of all costs incidental to or connected with such refunding (the "1997D Colleges Additional Bonds"). In connection with the issuance of any such 1997D Colleges Additional Bonds, the 1997D Colleges Amended Leases would be amended to provide for Base Rental thereunder sufficient, in both time and amount, to pay when due the annual principal of and interest on the 1997D Colleges Bonds, the Remaining 1992A Colleges Bonds, and any such 1997D Colleges Additional Bonds. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

Annual Debt Service Requirements

Set forth below are the principal, interest and total debt service requirements for the 1997D Colleges Bonds and the Remaining 1992A Colleges Bonds, assuming no redemptions other than scheduled mandatory sinking account redemptions:

Fiscal Year Ending June 30	1997D Colleges Bonds		1992A Colleges Bonds		Annual Debt Service
	Principal	Interest	Principal	Interest	

Estimated Sources and Uses of Funds

The proceeds to be received from the sale of the 1997D Colleges Bonds (excluding accrued interest) are as follows:

Sources

Principal amount of the 1997D Colleges Bonds . . . .
Funds held under the 1992 Colleges Indenture . . . .

Uses

1992A Colleges Escrow Fund . . . .
Costs of issuance(1) . . . .
Underwriters' discount . . . .
Original issue discount . . . .
TOTAL USES . . . .

(1) Includes trustee, legal and rating agencies' fees and other costs of issuance.

Plan of Refunding

The Board will apply the net proceeds of the sale of the 1997D Colleges Bonds, together with other lawfully available funds, to establish an irrevocable escrow to defease the 1992A Colleges Bonds described below.

State Public Works Board of the State of California
Lease Revenue Bonds (California Community Colleges)
1992 Series A, to be redeemed on December 1, 2002

Maturity Date (December 1)	Amount	Coupon
	$	%

Upon the issuance and delivery of the 1997D Colleges Bonds, a portion of the proceeds thereof, together with other lawfully available funds, will be applied to purchase direct obligations of the United States of America. These direct obligations will be deposited in an escrow fund or funds (the "1992A Colleges Escrow Fund") and held by the State Treasurer, as escrow agent (the "Escrow Agent") pursuant to an escrow agreement dated as of the Dated Date (the "1997B Colleges Escrow Agreement"), between the Board and the Escrow Agent. The Escrow Agent will apply the principal of and interest on all such obligations, together with other moneys held by it as Escrow Agent, to redeem the Refunded 1992A Colleges Bonds on the dates specified in the 1997D Colleges Escrow Agreement (and as set forth above) and to pay all interest due on the Refunded 1991A Colleges Bonds to the specified redemption dates. The securities and monies held in the 1991A Colleges Escrow Fund will not secure the 1997D Colleges Bonds and will not pay debt service on the 1997D Colleges Bonds.

The obligations of the United States of America so deposited with the Escrow Agent will bear interest at such rates and will be scheduled to mature at such times and in such amounts that, when paid in accordance with their terms, together with any other funds held in the 1992A Colleges Escrow Fund, sufficient moneys will be available to make full and timely payment of the principal of and interest on the Refunded 1992A Colleges Bonds to their specified redemption dates and to pay the redemption price of the principal amount which remains outstanding on such redemption dates. For information on mathematical verification of the adequacy of such obligations and other funds held in the 1992A Colleges Escrow Fund to make such payments, see "VERIFICATION." Upon such irrevocable deposit with the Escrow Agent and execution of the 1997D Colleges Escrow Agreement, the Refunded 1992A Colleges Bonds will be defeased and will no longer be entitled to the benefits of the indenture under which they were issued.

TERMS OF THE 1997E COLLEGES BONDS

This section should be read in conjunction with the sections entitled "TERMS APPLICABLE TO ALL SERIES OF BONDS" and "SECURITY AND SOURCES OF PAYMENT FOR ALL SERIES OF BONDS."

General

The 1997E Colleges Bonds will be issued under and secured by an Indenture, dated as of March 1, 1994 (the "1994 Colleges Indenture"), between the Board and the State Treasurer, as trustee, as supplemented by a First Supplemental Indenture, dated as of May 1, 1994 and a Second Supplemental Indenture, dated as of the Dated Date (collectively, the "1997E Colleges Indenture"), between the Board and the State Treasurer, as trustee, to provide funds which will be used, together with other lawfully available moneys, (i) to establish an irrevocable escrow to advance refund and defease $______ aggregate principal amount of certain maturities of the Board's Lease Revenue Bonds (California Community Colleges) Series 1994A (collectively, the "1994A Colleges Bonds" and such refunded maturities being referred to herein as the "Refunded 1994A Colleges Bonds") previously issued to finance the 1997E Colleges Facilities described below for the benefit of various California Community College Districts, and (ii) to pay the costs of issuance of the 1997E Colleges Bonds. See "Estimated Sources and Uses of Funds" below and "APPENDIX B - INFORMATION CONCERNING THE CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES -- The Financed Facilities - The 1997E Colleges Facilities."

Interest on the 1997E Colleges Bonds is payable on __________ 1, 19__ and on each April 1 and October 1 thereafter.

The Board has previously entered into eight separate facility leases (collectively, the "1997E Colleges Leases") and corresponding site leases with various California Community College Districts (collectively the "1997E College Districts" and individually a "1997E College District") pursuant to which the 1997E College Districts have leased from the Board educational facilities, as more particularly described in "APPENDIX B - INFORMATION CONCERNING THE CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES -- The Financed Facilities - The 1997E Colleges Facilities." The Board has previously issued the 1994A Colleges Bonds to finance or refinance such facilities. The Board now plans to issue the 1997E Colleges Bonds to be secured by the 1997E Colleges Leases and will enter into amendments of each of the 1997E Colleges Leases (the "1997E Colleges Amended Leases") with the 1997E College Districts, pursuant to which each 1997E College District will agree to make rental payments for the beneficial use and occupancy of the facilities leased thereunder (the "1997E Colleges Facilities" and each a "1997E Colleges Facility"), calculated to be sufficient to pay the principal of and interest on the 1997E Colleges Bonds and the maturities of the 1994A Colleges Bonds to remain outstanding after the issuance of the 1997E Colleges Bonds (the "Remaining 1994A Colleges Bonds"). After the refunding is accomplished, principal of, premium, if any, and interest on the Refunded 1994A Colleges Bonds will be payable from the escrow fund established with a portion of the proceeds of the 1997E Colleges Bonds and any other funds deposited into such escrow fund. The Series 1997E College Districts currently have beneficial use and occupancy of all of the 1997E Colleges Facilities to be partially refinanced by the 1997E Colleges Bonds. See "APPENDIX B - INFORMATION CONCERNING THE CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES - The Financed Facilities - The 1997E Colleges Facilities."

The 1997E Colleges Bonds are secured on a parity with the Remaining 1994A Colleges Bonds by a pledge of the rental payments under the 1997E Colleges Amended Leases and by amounts on deposit in the funds and accounts established under the 1997E Colleges Indenture (other than the Rebate Fund) and by the Master Indenture Reserve Fund described below.

Redemption Provisions

Optional Redemption. The 1997E Colleges Bonds maturing on or before October 1, _____ are not subject to optional redemption prior to maturity. The 1997E Colleges Bonds maturing on and after October 1, _____, are subject to redemption prior to their respective maturity dates on and after October 1, _____, at the option of the Board, from any available funds, either in whole or in part on any date, at the prices set forth below (stated as a percentage of the principal amount of the 1997E Colleges Bonds redeemed), plus accrued interest to the date fixed for redemption:

Redemption Period (both dates inclusive)	Redemption Price
October 1, _____ through September 30, ____	___
October 1, _____ through September 30, ____	___
October 1, _____ and thereafter	___

Mandatory Sinking Account Redemption. The 1997E Colleges Bonds maturing on October 1, ____ (the "1997E Colleges Term Bonds") are subject to redemption prior to maturity in part, by lot, at 100 percent of the principal amount to be redeemed plus accrued interest to the date fixed for redemption, without premium, from mandatory sinking account payments made in amounts sufficient to redeem on October 1, _____, and on each October 1 thereafter as set forth below, the respective principal amounts specified for each of the years set forth below:

1997E Colleges Term Bonds Maturing October 1, _____

Mandatory Sinking Account Payment Dates (October 1)	Mandatory Sinking Account Payments

† Maturity.

Security for the 1997E Colleges Bonds

Pledge of Revenues. The 1997E Colleges Bonds are special obligations of the Board issued under and pursuant to the 1997E Colleges Indenture, payable on parity with the 1994A Colleges Bonds solely from and equally and ratably secured by a first pledge of (i) all Base Rental Payments under the 1997E Colleges Amended Leases (the "1997E Colleges Base Rental") and all other benefits, charges, income, proceeds, profits, receipts, rents, proceeds of insurance, and revenues derived by the Board from the ownership, operation, or use of the 1997E Colleges Facilities, (ii) proceeds of the 1997E Colleges Bonds deposited in the interest account within the Revenue Fund pursuant to the 1997E Colleges Indenture (the "1997E Colleges Interest Account") and (iii) interest or profits from the investment of money in any account or fund (other than the Rebate Fund) established under the 1997E Colleges Indenture (the funds described in clauses (i), (ii), and (iii) are collectively referred to herein as the "1997E Colleges Revenues"). The 1997E Colleges Base Rental is calculated to be sufficient, in both time and amount, to pay when due the principal and interest on the 1997E Colleges Bonds and the Remaining 1994A Colleges Bonds. Additional rental payments due from the Series 1997E College Districts to the Board include amounts sufficient to pay administrative costs and insurance premiums with respect to the 1997E Colleges Facilities. Each Series 1997E College District is also responsible for repair and maintenance of its respective 1997E Colleges Facility during the term of its respective 1997E Colleges Amended Lease.

Pursuant to the Act and the 1997E Colleges Indenture, so long as each Series 1997E College District shall have its respective 1997E Colleges Facilities available for beneficial use and occupancy, the Chancellor of the California Community Colleges (the "Chancellor") and the State Controller, on behalf of such 1997E College District, is obligated to pay annual 1997E Colleges Base Rental from such 1997E College District's annual apportionment of State aid sufficient to pay debt service on the 1997E Colleges Bonds and the Remaining 1994A Colleges Bonds relating to such leased 1997E Colleges Facilities and due in such year. The annual allocation of debt service relating to each 1997E Colleges Facility is shown in "APPENDIX B - INFORMATION CONCERNING THE CALIFORNIA COMMUNITY COLLEGES AND THEIR FINANCED FACILITIES -- The Financed Facilities -The 1997E Colleges Facilities."

Reserve Fund. The 1997E Colleges Bonds are a series of Incorporated Bonds under the Master Indenture, and share in the pooled Master Indenture Reserve Fund as those terms are defined below. See "THE STATE PUBLIC WORKS BOARD - Master Indenture Reserve Fund." Amounts held in the Master Indenture Reserve Fund will be available for all bonds secured by the Master Indenture Reserve Fund and, therefore, no assurance can be given that at any time, amounts available therein will be sufficient to pay the principal of or interest on the 1997E Colleges Bonds when and as due.

Rental Interruption Insurance. The College Districts are required to maintain or cause to be maintained rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the 1997E Colleges Facilities as a result of any of the hazards covered by the hazard insurance described in the 1997E Colleges Amended Leases and the 1997E Colleges Indenture in an amount not less than the amount of 1997E Colleges Base Rental due for a period of at least two consecutive years under the 1997E Colleges Amended Leases. Any such insurance policy shall be in a form satisfactory to the State Treasurer and shall contain a loss payable clause making any loss thereunder payable to the State Treasurer as his interest may appear. The 1997E Colleges Indenture requires that the State Treasurer use any proceeds of such insurance to reimburse each 1997E College District for any rental theretofore paid by such 1997E College District under a 1997E Colleges Amended Lease for a period of time during which the payment of rental under such 1997E Colleges Amended Lease is abated. Any proceeds of such insurance not so used shall be applied, to the extent required, to pay debt service on the 1997E Colleges Bonds and the Remaining 1994A Colleges Bonds. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

Proceeds of Insurance on the Facilities. The 1997E Colleges Indenture and the 1997E Colleges Amended Leases require each 1997E College District to maintain or cause to be maintained fire, lightning and extended coverage insurance on its Facility in an amount equal to 100 percent of the then current replacement cost thereof, excluding the then current value of the related Site as unimproved (except that such insurance may be subject to a deductible clause of not to exceed $500,000 for any one loss) and earthquake insurance (if, in the discretion of each 1997A College District, such insurance is available on the open market from reputable insurance companies at a reasonable cost) on any structure comprising part of such Facility in an amount equal to the full insurable value of such structure or the principal amount of all Outstanding 1997E Colleges Bonds and 1997E Colleges Additional Bonds, whichever is less (subject to a deductible clause of not to exceed $500,000 for any one loss). In the event of any damage to or destruction of any part of such Facility as a result of the perils covered by such insurance, the insurance proceeds may be applied, at the option of the Board, to (1) redeem the related 1997E Colleges Bonds, the Remaining 1994A Colleges Bonds and any related 1997E Colleges Additional Bonds in whole or in part, or (2) repair, reconstruct or replace such Facility. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS" and "SECURITY AND SOURCES OF PAYMENT FOR ALL SERIES OF BONDS - Abatement."

Additional 1997E Colleges Bonds

The Board may issue additional bonds under the 1997E Colleges Indenture on a parity with the 1997E Colleges Bonds and the Remaining 1994A Colleges Bonds for the purpose of (i) financing the acquisition, installation, and construction of additions, betterments, extensions or improvements to the 1997E Colleges Facilities, including payment of all costs incidental to or connected with such financing and/or (ii) refunding any bonds then Outstanding under the 1997E Colleges Indenture, including payment of all costs incidental to or connected with such refunding (the "1997E Colleges Additional Bonds"). In connection with the issuance of any such 1997E Colleges Additional Bonds, the 1997E Colleges Amended Leases would be amended to provide for Base Rental thereunder sufficient, in both time and amount, to pay when due the annual principal of and interest on the 1997E Colleges Bonds, the Remaining 1994A Colleges Bonds, and any such 1997E Colleges Additional Bonds. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

Annual Debt Service Requirements

Set forth below are the principal, interest and total debt service requirements for the 1997E Colleges Bonds and the Remaining 1994A Colleges Bonds, assuming no redemptions other than scheduled mandatory sinking account redemptions:

Fiscal Year Ending June 30	1997E Colleges Bonds Principal	1997E Colleges Bonds Interest	Remaining 1994A Colleges Bonds Principal	Remaining 1994A Colleges Bonds Interest	Annual Debt Service

Estimated Sources and Uses of Funds

The proceeds to be received from the sale of the 1997E Colleges Bonds (excluding accrued interest) are as follows:

Sources

Principal amount of the 1997E Colleges Bonds . . . .
Funds held under the related Supplemental Indentures . . . .

Uses

1994A Colleges Escrow Fund . . . .
Costs of issuance(1) . . . .
Underwriters' discount . . . .
Original issue discount . . . .
TOTAL USES . . . .

(1) Includes trustee, legal and rating agencies' fees and other costs of issuance.

Plan of Refunding

The Board will apply the net proceeds of the sale of the 1997E Colleges Bonds, together with other lawfully available funds, to establish an irrevocable escrow to defease the 1994A Colleges Bonds described below.

State Public Works Board of the State of California
Lease Revenue Bonds (California Community Colleges)
1994 Series A, to be redeemed on October 1, 2004

Maturity Date (October 1)	Amount	Coupon
	$	%

Upon the issuance and delivery of the 1997E Colleges Bonds, a portion of the proceeds thereof, together with other lawfully available funds, will be applied to purchase direct obligations of the United States of America. These direct obligations will be deposited in an escrow fund or funds (the "1994A Colleges Escrow Fund") and held by the State Treasurer, as escrow agent (the "Escrow Agent") pursuant to an escrow agreement dated as of the Dated Date (the "1997E Colleges Escrow Agreement"), between the Board and the Escrow Agent. The Escrow Agent will apply the principal of and interest on all such obligations, together with other moneys held by it as Escrow Agent, to redeem the Refunded 1994A Colleges Bonds on the dates specified in the 1997E Colleges Escrow Agreement (and as set forth above) and to pay all interest due on the Refunded 1994A Colleges Bonds to the specified redemption dates. The securities and monies held in the 1994A Colleges Escrow Fund will not secure the 1997E Colleges Bonds and will not pay debt service on the 1997E Colleges Bonds.

The obligations of the United States of America so deposited with the Escrow Agent will bear interest at such rates and will be scheduled to mature at such times and in such amounts that, when paid in accordance with their terms, together with any other funds held in the 1994A Colleges Escrow Fund, sufficient moneys will be available to make full and timely payment of the principal of and interest on the Refunded 1994A Colleges Bonds to their specified redemption dates and to pay the redemption price of the principal amount which remains outstanding on such redemption dates. For information on mathematical verification of the adequacy of such obligations and other funds held in the 1994A Colleges Escrow Fund to make such payments, see "VERIFICATION." Upon such irrevocable deposit with the Escrow Agent and execution of the 1997E Colleges Escrow Agreement, the Refunded 1994A Colleges Bonds will be defeased and will no longer be entitled to the benefits of the indenture under which they were issued.

THE STATE PUBLIC WORKS BOARD

General

The Board was created in 1946 as an entity of State government upon enactment by the State Legislature in its 1946 First Extraordinary Session of Chapter 145 of the Statutes of 1946, now constituting Part 10.5 of Division 3 of Title 2 of the California Government Code. The Board is empowered to, among other things, acquire, construct, improve, equip, maintain, operate and lease public buildings and related facilities for the use of State agencies. The acquisition and construction of public buildings by the Board is subject to authorization by the State Legislature through a separate act or appropriation. Pursuant to the Act, the Board is empowered to issue revenue obligations to finance the cost of its projects which have been authorized by the Legislature. THE BOARD HAS NO POWER AT ANY TIME OR IN ANY MANNER TO PLEDGE THE CREDIT OR TAXING POWER OF THE STATE OR ANY OF ITS AGENCIES FOR THE PAYMENT OF PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, OR INTEREST ON ITS OBLIGATIONS.

The Board consists of the State Director of Finance, the State Director of Transportation and the State Director of General Services. In addition, for the purpose of hearing and deciding upon matters relating to the issuance of revenue obligations pursuant to the Act, the State Treasurer and the State Controller are members of the Board.

The Board, pursuant to the statute, is the principal entity for the approval and oversight of most major capital outlay projects of the State, other than State highway projects. The Board has responsibility for approval of the preliminary plans for State public works projects, including hospitals, prisons, office buildings and university and community college facilities, for the purpose of ensuring that the plans reflect both the legislatively approved scope of the project and the statutory limitation on authorized construction costs.

Indebtedness of the Board

In addition to the Bonds, the Board issues lease-purchase bonds under the Act to finance a wide variety of capital projects, including buildings and equipment for many State agencies. See "APPENDIX A-STATE OF CALIFORNIA-State Indebtedness-Authorized and Outstanding State Debt."

As of September 1, 1997, the State Legislature has authorized issuance of an additional $1,352,143,000 aggregate principal amount of lease-purchase and other bonds of the Board, which are yet unissued. Prior to issuance of such long-term bonds, the Board may obtain interim loans from the State Pooled Money Investment Account to commence projects which have been approved by the Legislature and the Board. As of September 1, 1997, the Board had approved interim loans totaling $475,395,236.

Each series of lease-purchase bonds is separately secured from revenues relating to the particular projects being financed, and there is no sharing of security or cross-default between the various issues of the Board's bonds (except that some series of bonds are secured by the Master Indenture Reserve Fund).

The following table sets forth the Board's lease revenue bonds secured by the Master Indenture Reserve Fund.

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA
LEASE REVENUE BONDS SECURED BY THE RESERVE FUND
UNDER THE MASTER INDENTURE [1]
(Principal Outstanding as of September 1, 1997)

		Outstanding
Lease Revenue Bonds (The Regents of the University of California) 1993 Series B (Various University of California Projects)*	$	173,075,000
Lease Revenue Bonds (California Community Colleges) 1994 Series A (Various Community College Projects)*	$	80,555,000
Lease Revenue Bonds (The Trustees of the California State University) 1994 Series A (Various California State University Projects)*	$	129,735,000
Lease Revenue Bonds (The Regents of the University of California) 1994 Series A (Various University of California Projects)	$	63,830,000
Lease Revenue Bonds (The Regents of the University of California) 1994 Series B (Various University of California Projects)	$	29,070,000
Lease Revenue Bonds (Department of Corrections) 1994 Series A (California State Prison Monterey County (Soledad II))	$	123,596,035
Lease Revenue Bonds (California Community Colleges) 1994 Series B (Various Community College Projects)	$	49,460,000
Lease Revenue Bonds (The Trustees of the California State University) 1995 Series A (Various California State University Projects)	$	36,630,000
Lease Revenue Bonds 1995 Series A (Department of Justice Building)	$	62,805,000
Lease Revenue Bonds (The Trustees of the California State University) 1995 Series B (Long Beach and San Luis Obispo Projects)	$	14,265,000
Lease Revenue Bonds (California Community Colleges) 1996 Series A (Various Community College Projects)	$	133,095,000
Lease Revenue Bonds (Department of Corrections) 1996 Series A (California Substance Abuse Treatment Facility and State Prison at Corcoran (Corcoran II))	$	455,400,000
Lease Revenue Refunding Bonds (Department of Corrections) 1996 Series B (California State Prison - Monterey County (Soledad II))	$	116,645,000
Lease Revenue Refunding Bonds (California Community Colleges) 1996 Series B (Various Community College Projects)	$	56,315,000
Lease Revenue Refunding Bonds (Department of Corrections) 1996 Series D (California State Prison - Monterey County (Soledad II))	$	68,605,000

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA
LEASE REVENUE BONDS SECURED BY THE RESERVE FUND UNDER THE MASTER INDENTURE [1]
(Principal Outstanding as of September 1, 1997)

Lease Revenue Refunding Bonds (California Community Colleges) 1996 Series D (Various Community College Projects)	$	39,960,000
Lease Revenue Refunding Bonds (The Regents of the University of California) 1997 Series B (Various University of California Projects)	$	14,725,000
Lease Revenue Refunding Bonds (Department of Corrections) 1993 Series D (California State Prison - Lassen County, Susanville)*	$	302,040,000
Lease Revenue Refunding Bonds (Department of Corrections) 1993 Series E (California State Prison - Madera County (II))*	$	183,770,000
Lease Revenue Bonds (California Community Colleges) 1997 Series A (Various Community College Projects)	$	65,550,000
TOTAL	$	2,199,126,035

*Incorporated Bonds

[1] As of September 1, 1997, the Reserve Fund Requirement and the Reserve Fund balance under the provisions of the Master Indenture were $58,963,391.

SOURCE: State of California, Office of the State Treasurer

Master Indenture Reserve Fund

Pursuant to the Master Indenture, separate series of lease revenue bonds issued by the Board under its Master Indenture (each such series of bonds being referred to herein as a "Series of Master Indenture Bonds"), are secured by a common, pooled reserve fund established pursuant to the Master Indenture (the "Master Indenture Reserve Fund"), but otherwise each is separately secured by the rentals and revenues related to each respective Series of Master Indenture Bonds. A default on any Series of Master Indenture Bonds secured under the Master Indenture will not constitute a default on any other Series of Master Indenture Bonds secured under the Master Indenture. The Master Indenture also allows the Board to "incorporate" certain issues of its bonds which have been issued previously (each such series of bonds being referred to herein as a "Series of Incorporated Master Indenture Bonds") so that each Series of Incorporated Master Indenture Bonds will also be secured by the Master Indenture Reserve Fund.

Under the Master Indenture, moneys in the Master Indenture Reserve Fund may only be used (i) to replenish the principal account or interest account for any Series of Master Indenture Bonds secured under the Master Indenture or any Series of Incorporated Master Indenture Bonds in the event of any deficiency at any time in such account, or (ii) to pay debt service on any Series of Master Indenture Bonds or Series of Incorporated Master Indenture Bonds if no other moneys are lawfully available therefor.

The Master Indenture Reserve Fund Requirement is defined in the Master Indenture as an amount equal to:

(A) the greatest of:

(i) the sum of the largest single payments of Semi-Annual Debt Service (as defined in the Master Indenture) relating to the two Facilities covered by the Master Indenture Reserve Fund with the largest single payment of Semi-Annual Debt Service remaining;

(ii) the sum of the largest single remaining payments of Semi-Annual Debt Service attributable to all Facilities covered by the Master Indenture Reserve Fund situated within one of the following locations in the State for which such sum is the larger: (a) the campus of the University of California, the California State University, or a Community College at which any such Facility is located (provided that any two campuses located within five miles will be considered a single location) or (b) the area within a radius of five miles around any such Facility not located on a campus;

(iii) ten percent of the Maximum Aggregate Semi-Annual Debt Service (as defined in the Master Indenture) with respect to all bonds covered by the Master Indenture Reserve Fund; or

(iv) the largest payment(s) of Semi-Annual Debt Service remaining for any interest payment date(s) for Bonds secured by the Master Indenture Reserve Fund coming due in any calendar month, plus

(B) an amount not to exceed one percent (1%) of the amount calculated under part (A) above, as determined by the State Treasurer at the time of issuance of any Series of Master Indenture Bonds.

Under the Master Indenture, the State Treasurer shall, on December 1 of each year (or whenever any moneys are withdrawn from the Master Indenture Reserve Fund), calculate whether the balance in the Master Indenture Reserve Fund is equal to the Master Indenture Reserve Fund Requirement. If there is a shortfall, the Board promises to use its best efforts to replenish the Master Indenture Reserve Fund by December 1 of the year following the year in which the shortfall was determined. Such replenishment is expected to occur by using proceeds of subsequent issues of bonds issued under the Master Indenture, provided that the Board at all times reserves the right to determine whether it is in the best interests of the State for any particular project to be secured under the Master Indenture or separately. If on any calculation date there are excess funds in the Master Indenture Reserve Fund, the Board in its discretion may (but is not required to) allocate such surplus to the revenue fund or construction fund for one or more Series of Master Indenture Bonds or otherwise disburse such moneys or, if agreed to by the Board, to reimburse any department of the State whose bonds are covered by the Master Indenture Reserve Fund for any rentals paid under any lease for a period while such lease was abated. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

As of September 1, 1997, 20 prior issues of lease revenue bonds of the Board are secured by the Master Indenture Reserve Fund. These 20 issues are described above.

As of September 1, 1997 (and prior to the issuance of the 1997C Colleges Bonds and the 1997E Colleges Bonds), the Master Indenture Reserve Fund Requirement (based on test (i) above) was $58,963,391 and the Master Indenture Reserve Fund balance was $58,963,391. As of such date, the aggregate principal amount of lease revenue bonds secured by the Master Indenture Reserve Fund was $2,199,126,035. After the issuance of the 1997C Colleges Bonds and the 1997E Colleges Bonds, the Master Indenture Reserve Fund Requirement will be $__________ and the aggregate principal amount of outstanding lease revenue bonds secured by the Master Indenture Reserve Fund will be $_______________.

In accordance with the terms of the Master Indenture, the Board may issue additional series of revenue bonds under the Master Indenture without causing an increase in the Master Indenture Reserve Fund Requirement. The Board may issue under the Master Indenture additional issues of lease revenue bonds for various State facilities; however, if so issued, the amount on deposit in the Master Indenture Reserve Fund is not expected to be increased in the near future. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

In lieu of making a Master Indenture Reserve Fund deposit, or in replacement of moneys then on deposit in the Master Indenture Reserve Fund, the Board may deliver to the State

Treasurer a letter of credit, insurance policy or surety bond or a combination thereof (as described in the Master Indenture) securing an amount (together with moneys and Permitted Investments on deposit in the Master Indenture Reserve Fund) equal to the Master Indenture Reserve Fund Requirement. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS."

TAX MATTERS

In the opinion of the Honorable Daniel E. Lungren, Attorney General of the State of California and Orrick, Herrington & Sutcliffe LLP, Sacramento, California, and the Law Office of Joaquin A. Talleda, Pasadena, California, Co-Bond Counsel ("Co-Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and, assuming, among other matters, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. The Attorney General and Co-Bond Counsel are of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although the Attorney General and Co-Bond Counsel observe that such interest is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. A complete copy of the proposed form of the final legal opinion of the Attorney General and Co-Bond Counsel is set forth in Appendix E to this Official Statement.

The difference (if any) between the initial price of any maturity of the Bonds and the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds) constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for purposes of federal income taxes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of the Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Board has covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of the Attorney General and Co-Bond Counsel assume compliance with these covenants. The Attorney General and Co-Bond Counsel have not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds. Prospective Bondholders are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Certain requirements and procedures contained or referred to in the Indentures, the Tax Certificates relating to the respective series of the Bonds and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under circumstances and subject to the terms and conditions set forth in such documents. The Attorney General and Co-Bond Counsel express no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Co-Bond Counsel.

Although the Attorney General and Co-Bond Counsel are of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondholder's federal or State tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. The Attorney General and Co-Bond Counsel express no opinion regarding any such other tax consequences.

CERTAIN LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approval of the Attorney General and Co-Bond Counsel. The approving opinion of such counsel will be delivered with the Bonds in substantially the form set forth in Appendix E. Copies of such approving opinion will be available at the time of delivery of the Bonds. Certain legal matters will be passed upon for the Underwriters by their counsel, O'Melveny & Myers LLP, Los Angeles, California, Underwriters' Counsel. Co-Bond Counsel and Underwriters' Counsel undertake no responsibility for the accuracy, completeness or fairness of this Official Statement.

LITIGATION

There is not now pending or known to be threatened any litigation seeking to restrain or enjoin the sale, issuance, execution or delivery of the Bonds or in any manner questioning or affecting the validity of the Bonds, the Master Indenture, the Indentures, the Facility Leases or any proceeding of the Board or any College District taken with respect to the foregoing.

While there are numerous civil actions pending against the State (including, but not limited to, those discussed in Appendix A), which could, if determined adversely to the State, affect the State's expenditures and, in some cases, its revenues, the Attorney General of the State is of the opinion that no pending actions are likely to have a material adverse effect on the Board's ability to pay principal of and interest on the Bonds when due.

VERIFICATION

Upon delivery of each Series of Bonds, Deloitte & Touche LLP will verify from the information provided to them the mathematical accuracy as of the date of the closing on such Series of Bonds of (1) the computations contained in the provided schedules to determine that the anticipated receipts from the securities and cash deposits listed in the Underwriters' schedules, to be held in escrow, will be sufficient to pay, when due, the principal, interest and call premium payment requirements, if any, of the related Refunded Bonds, and (2) the computations of yield on both the securities and such Series of Bonds contained in the provided schedules used by the Attorney General and Co-Bond Counsel in their determination that the interest on such Series of Bonds is excluded from gross income for federal tax purposes. Deloitte & Touche LLP will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of the interest on the Bonds. See "TAX MATTERS" herein.

UNDERWRITING

The Bonds are being purchased by an underwriting group consisting of the underwriters named on the cover page hereto (collectively, the "Underwriters") from the State Treasurer, who is authorized pursuant to the Act to sell the Bonds on behalf of the Board. The Underwriters have agreed to purchase the Bonds as follows: the 1997B Colleges Bonds at a purchase price of $_______ (which represents the principal amount of such Bonds, less an original issue discount, and less an underwriters' discount) plus accrued interest; the 1997C Colleges Bonds at a purchase price of $_______ (which represents the principal amount of such Bonds, less an original issue discount, and less an underwriters' discount) plus accrued interest; the 1997D Colleges Bonds at a purchase price of $_______ (which represents the principal amount of such Bonds, less an original issue discount, and less an underwriters' discount) plus accrued interest; and the 1997E Colleges Bonds at a purchase price of $_______ (which represents the principal amount of such Bonds, less an original issue discount, and less an underwriters' discount) plus accrued interest. The purchase contract pursuant to which the Bonds are being sold provides that the Underwriters will purchase all of the Bonds if any Bonds are purchased, and the obligation to make such purchase is subject to certain terms and conditions set forth in such purchase contract, the approval of certain legal matters by counsel and certain other conditions.

The Underwriters may offer and sell the Bonds to certain dealers and others at a price lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriters.

RATINGS

The Bonds of each Series have received the ratings of "____" by Moody's Investors Service, "____" by Standard & Poor's Ratings Services and "____" by Fitch Investors Service, Inc. An explanation of the significance and status of such credit ratings may be obtained from the rating agencies furnishing the same. There is no assurance that such ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by any such rating agencies, if in their respective judgments, circumstances so warrant. A revision or withdrawal of any such credit rating could have an effect on the market price of the Bonds.

FINANCIAL STATEMENTS

Included in Exhibit 1 to Appendix A attached hereto are the General Purpose Financial Statements of the State for the Fiscal Year ended June 30, 1996. These statements have been examined by the State Auditor to the extent indicated in his report appearing in Appendix A. Certain unaudited financial information is included in Exhibit 2 to Appendix A.

MISCELLANEOUS

References made herein to certain documents and reports are brief summaries thereof which do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not be construed as a contract or agreement between the Board and the purchasers or holders of any of the Bonds.

The execution and delivery of this Official Statement has been duly authorized by the State Treasurer and by the Board.

TREASURER OF THE STATE OF CALIFORNIA	STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA
By:______________________	By:______________________
State Treasurer	Chair

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